This presentation contains forward-looking statements that reflect the current views of Deutsche Telekom management with respect to future events. These forward-looking statements include statements with regard to the expected development of revenue, earnings, profits from operations, depreciation and amortization, cash flows and personnel-related measures. You should consider them with caution. Such statements are subject to risks and uncertainties, most of which are difficult to predict and are generally beyond Deutsche Telekom’s control. Among the factors that might influence our ability to achieve our objectives are the progress of our workforce reduction initiative and other cost-saving measures, and the impact of other significant strategic, labor or business initiatives, including acquisitions, dispositions and business combinations, and our network upgrade and expansion initiatives. In addition, stronger than expected competition, technological change, legal proceedings and regulatory developments, among other factors, may have a material adverse effect on our costs and revenue development. Further, the economic downturn in our markets, and changes in interest and currency exchange rates, may also have an impact on our business development and the availability of financing on favorable conditions. Changes to our expectations concerning future cash flows may lead to impairment write downs of assets carried at historical cost, which may materially affect our results at the group and operating segment levels. If these or other risks and uncertainties materialize, or if the assumptions underlying any of these statements prove incorrect, our actual performance may materially differ from the performance expressed or implied by forward-looking statements. We can offer no assurance that our estimates or expectations will be achieved. Without prejudice to existing obligations under capital market law, we do not assume any obligation to update forward-looking statements to take new information or future events into account or otherwise.

In addition to figures prepared in accordance with IFRS, Deutsche Telekom also presents non-GAAP financial performance measures, including, among others, EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, adjusted EBIT, adjusted net income, free cash flow, gross debt and net debt. These non-GAAP measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with IFRS. Non-GAAP financial performance measures are not subject to IFRS or any other generally accepted accounting principles. Other companies may define these terms in different ways.
KEY MESSAGE: DT IS THE LEADING EUROPEAN TELCO!

1. Leading European Telco:
   Integrated market leader with superior margins and returns.

2. We strengthen our differentiation by best customer experience and by continuously investing into leading access networks and our transformation programs.

3. We are transforming towards a lean and highly agile IP production.

4. We are self-funding DT’s transformation by disciplined cost management.

5. We will grow in all relevant financial KPI’s (ROCE, Revenue, EBITDA, FCF).

6. Our shareholders will participate with growth of dividends following FCF growth and our prudent debt policy remains unchanged.
REVIEW 2013–2014
WE CREATED VALUE FOR DT SHAREHOLDERS SINCE LAST CMD

DEVELOPMENT OF MARKET CAP SINCE CAPITAL MARKETS DAY 2012

Dec. 7, 2012

- 6
- 14
- 22
- 23
- 36
- 46
- 99

Feb. 13, 2015

- 13
- 19
- 43
- 48
- 61
- 72
- 83

CMD 2012 DIVIDEND POLICY DELIVERED

FY 2012: €0.70

FY 2013: €0.50

FY 2014: €0.50¹

¹ Subject to board resolution and AGM approval
WE ARE STILL THE “SAFE HAVEN” FOR DEBT INVESTORS

RATING POSITION\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>VOD</th>
<th>TEF</th>
<th>ORA</th>
<th>BT</th>
<th>KPN</th>
<th>Avg. A-</th>
<th>Avg. BBB+/BBB</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A-</td>
<td>A-</td>
<td>A-</td>
<td>A-</td>
</tr>
</tbody>
</table>

CREDIT DEFAULT SWAPS (5 YRS)

<table>
<thead>
<tr>
<th>Basispoints (Change vs. last CMD)(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>VOD A-</td>
</tr>
<tr>
<td>TEF BBB+</td>
</tr>
<tr>
<td>ORA BBB+</td>
</tr>
<tr>
<td>BT BBB</td>
</tr>
<tr>
<td>KPN BBB</td>
</tr>
<tr>
<td>TI BBB+</td>
</tr>
<tr>
<td>2013 2014 2015</td>
</tr>
<tr>
<td>152 (-45%)</td>
</tr>
<tr>
<td>74 (-56%)</td>
</tr>
<tr>
<td>74 (-70%)</td>
</tr>
<tr>
<td>64 (-5%)</td>
</tr>
<tr>
<td>53 (-44%)</td>
</tr>
<tr>
<td>48 (-60%)</td>
</tr>
<tr>
<td>39 (-56%)</td>
</tr>
</tbody>
</table>

\(^1\) Based on S&P \(^2\) As of 13.02.2015
LEADING EUROPEAN TELCO WITH FOCUS ON ROCE

EQUITY

- DIVIDEND
  - Following FCF growth
  - Floor at €0.50 per share
  - Attractive option: Dividend in kind

STRATEGY LEADING EUROPEAN TELCO

VALUE CREATION: ROCE > WACC

1. INFRASTRUCTURE TRANSFORMATION
   - Support fast IP migration and transform network infrastructure

2. COST TRANSFORMATION
   - Reduce indirect cost

3. PORTFOLIO MANAGEMENT
   - Deliver on preferred business model (integrated + B2C/B2B) and value generation

4. RISK MANAGEMENT
   - Maintain low risk country portfolio

DEBT

- RATING
  - A-/BBB

- NET DEBT/ADJ. EBITDA
  - 2–2.5x

- EQUITY RATIO
  - 25–35%

- LIQUIDITY RESERVE
  - Covers maturities of coming 24 months

1 Subject to necessary AGM approval and board resolution
TOP LINE AND EBITDA GROWTH WILL STRENGTHEN ROCE

**REVENUE**
€ bn
- 62.7
- 62.7
- CAGR 1–2%
- 2014
- 2018

**ADJ. EBITDA**
€ bn
- 17.6
- 17.6
- CAGR 2–4%
- 2014
- 2018

**ROCE**
- 5.5%
- 4.0%
- 2014
- 2018
- ROCE > WACC

**(CASH) CAPEX**
€ bn
- 9.5
- 9.5
- CAGR 1–2%
- 2014
- 2018

**SPECIAL FACTORS (EBITDA)**
€ bn
- 1.8
- 1.3
- 2014
- 2018

---

1 Excl. effects from 70% Scout disposal and Verizon 4.0 spectrum
CONTINUED HIGH INVESTMENTS IN INFRASTRUCTURE & TRANSFORMATION

(CASH) CAPEX PROFILE

€ bn

<table>
<thead>
<tr>
<th>Year</th>
<th>T-Mobile</th>
<th>Cash Capex/Sales:</th>
<th>FLAT</th>
<th>INCREASE</th>
<th>FLAT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>€ 9.5 bn</td>
<td>≈15%</td>
<td></td>
<td>$ 4.3 bn</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>€ 9.8 bn</td>
<td>≈15%</td>
<td></td>
<td></td>
<td>≈1%</td>
</tr>
<tr>
<td>2018</td>
<td>€ 1.6 bn</td>
<td>≈15%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 Excl. spectrum

Increased network roll-out within same capex envelope (vs CMD 2012)
WE BUILD A SUPERIOR PRODUCTION PLATFORM WITH STEADY STATE IN EARLY 2020IES

DIGITAL TRANSFORMATION OF CUSTOMER FACING PROCESSES

COST EFFICIENCY & SIMPLICITY

ALL-IP TRANSFORMATION

PSTN migration in all NatCos

PLUG & PLAY

PAN-EUROPEAN NETWORK

Centralized, virtualized architecture and production platforms

TIME TO MARKET

INTEGRATED NETWORK STRATEGY

BEST CONNECTIVITY

1. LTE roll-out
2. Fiber
3. Vectoring
4. Hybrid access

Annual run rate adj. Opex savings:

≈ €1.2 bn

(steady state in early 2020ies)

1 Gross Opex savings D/EU before any counter effects (e.g. personnel cost increases)
WE WILL TRANSFORM OUR OPEX PROFILE TOWARDS MORE FLEXIBILITY

INCREASE OF FLEXIBILITY BY “VARIABILIZATION OF COST” (EX US)
Share of direct and indirect\(^1\) cost

- 2011: 67% (Adj. direct cost (ex US))
- 2014: 65% (Adj. direct cost (ex US))
- 2018: 61% (Adj. direct cost (ex US))

\(-4\)pp

Early 2020ies: Ambition ≈55%–50%

\(^1\) Before capitalization of labor

CASH PERSONNEL SPECIAL FACTORS (EX US)
\(\€\) bn

- 2014: 1.2
- 2015: 1.6
- 2018: 1.2

\(\approx +30\%\)
WE REDUCE OUR INDIRECT COST EX US BY €1.8 BN TO SELF-FUND OUR INVESTMENTS

ADJ. OPEX 2014

€ bn

46.2
18.5
29.7
-1.9

TOTAL COST² VIEW (EX US)

adj. direct cost
10.4
≈ 1–2% CAGR 2014–18

adj. indirect cost²
19.3
€-1.8 bn³

Indirect cost reduction across all segments ex US

MID TERM AMBITION

- Revenue growth drives direct costs
- New revenues come with lower margin

INDIRECT COST REDUCTION ACROSS ALL SEGMENTS EX US

GROUP ADJ OPEX (EX US): DECREASE

2014

1 Capitalization of labor
2 Before capitalization of labor
3 Before lower capitalization of labor of €0.25 bn

2018

€-0.8 bn
€-0.4 bn
€-0.5 bn
€-0.1 bn
GHS & Cons.
WE WILL GROW IN EBITDA, EBIT AND EPS

INCREASING ADJ. EBITDA MARGIN

%  

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2018e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>28.0</td>
<td>28.0</td>
<td>28.0</td>
</tr>
<tr>
<td>% Change</td>
<td>+2–3pp</td>
<td>+2–3pp</td>
<td>+2–3pp</td>
</tr>
</tbody>
</table>

FLAT ADJ. DEPRECIATIONS

€ bn  

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2018e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>10.5</td>
<td>10.5</td>
<td>10.5</td>
</tr>
<tr>
<td>% Change</td>
<td>FLAT</td>
<td>FLAT</td>
<td>FLAT</td>
</tr>
</tbody>
</table>

INCREASING ADJ. EBIT MARGIN

%  

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2018e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>11.3</td>
<td>11.3</td>
<td>11.3</td>
</tr>
<tr>
<td>% Change</td>
<td>+4–5pp</td>
<td>+4–5pp</td>
<td>+4–5pp</td>
</tr>
</tbody>
</table>

IMPROVEMENT OF ADJ. EPS

€  

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2018e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.54</td>
<td>0.54</td>
<td>1.0</td>
</tr>
<tr>
<td>% Change</td>
<td>FLAT</td>
<td>FLAT</td>
<td>≈1</td>
</tr>
</tbody>
</table>
IMPRESSIVE DE-RISKING TRACK RECORD SINCE LAST CAPITAL MARKETS DAY

T-MOBILE US: SUCCESSFUL DE-RISKING STORY

- Self funding fully intact!
- Around $14 bn external capital since listing (May 2013)
  - Stand alone bond issuances
  - Sale of TMUS notes
  - Equity increase
  - Mandatory preferred convertible

1 As per Feb. 2015

SUBSTANTIAL ECONOMIC RISK REDUCTION COMPARED TO CMD 2012

<table>
<thead>
<tr>
<th>Country</th>
<th>2012</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>85%</td>
<td>85%</td>
</tr>
<tr>
<td>D</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PL</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RO</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HU</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SK</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NL</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CZ</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sum of the Parts Share

OTE: RIGOROUS DE-RISKING EFFORTS

- Strong credit story!
- Successful sales of Globul, Tel. Serbia stake, Hellas Sat
- Rating improved by 4 Notches (@ Moody’s):
  - From Caa1 in 2012 to currently Ba3
- Leverage Ratio improved from 1.9x to 0.8x
- Maturities of next 3 years covered

1 As per Feb. 2015
WE ARE EXPECTING SLIGHTLY DECLINING PAYOUTS FOR PENSIONS

**PAYOUTS FOR PENSIONS (GER) DECREASING**

<table>
<thead>
<tr>
<th>Year</th>
<th>Civil Servant Pensions</th>
<th>Pension Plans</th>
<th>€ bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>0.3</td>
<td>0.5</td>
<td>0.9</td>
</tr>
<tr>
<td>2017</td>
<td>0.4</td>
<td>0.5</td>
<td>0.8</td>
</tr>
<tr>
<td>2019</td>
<td>0.4</td>
<td>0.5</td>
<td>0.8</td>
</tr>
<tr>
<td>2021</td>
<td>0.4</td>
<td>0.5</td>
<td>0.8</td>
</tr>
<tr>
<td>2025</td>
<td>0.3</td>
<td>0.5</td>
<td>0.8</td>
</tr>
</tbody>
</table>

- Payments for the civil servants pensions to decrease over time
- No volatility expected as number of civil servants is decreasing (no new hires) and contribution is fixed

**FUNDING RATIO INCREASING (VOLUNTARY)**

<table>
<thead>
<tr>
<th>Year</th>
<th>DBO¹</th>
<th>Plan Assets</th>
<th>Funding ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>-7.0</td>
<td>-9.0</td>
<td>22%</td>
</tr>
<tr>
<td>2014</td>
<td>-8.4</td>
<td>-10.9</td>
<td>23%</td>
</tr>
</tbody>
</table>

We plan to fund up to 50% of DBO until 2020
- FUNDING IS ENTIRELY VOLUNTARY!

**SENSITIVITY DRIVERS OF DBO²**

1. **Discount rate (+/- 100bps)**
   - 1.2
   - 1.5

2. **Longevity (+/- 1 year)**
   - -0.3
   - 0.3

3. **Salary trend (+/- 50bps)**
   - 0
   - 0

- Highest sensitivity with discount rate
- Decrease of discount rate in 2014³ by 140 bps almost entirely driving increase in DBO

---

¹ DBO = Defined benefit obligation
² Sensitivities for Germany as it covers 90% of total DBO
³ Discount rates: 3.3% in 2013 versus 1.9% in 2014
MANAGEMENT INCENTIVES ALIGNED WITH SHAREHOLDERS INTEREST

1. SHORT TERM INCENTIVE
   - Segment unadj. EBITDA
   - Group Free Cashflow

2. LONG TERM INCENTIVE
   - Stock Performance
     - Illustrative
   - TELEKOM KPIs
     - Customer & Employee satisfaction
   - Share-price
   - Adj. EPS
   - ROCE

3. SHARE MATCHING PLAN
   - EXECUTIVE
     - Voluntary investment in shares
     - Providing matching shares
   - TELEKOM
     - Number of shares disposable for executive
     - Shareprice
OUR SHAREHOLDERS WILL PARTICIPATE IN GROWTH

FREE CASHFLOW DT GROUP\(^1\)

\[\begin{array}{c|c}
\text{€ bn} & \text{2014} & \text{2018} \\
\hline
4.1 & & \\
\end{array}\]

CAGR ≈10%

DIVIDENDS FOLLOWING FCF GROWTH\(^2\)

\[\begin{array}{c|c|c|c|c}
\text{€} & \text{2014}\(^3\) & \text{2015} & \text{2016} & \text{2017} & \text{2018} \\
\hline
\text{Minimum} & \text{€0.50} & & & & \\
\end{array}\]

Note: Pension funding and spectrum investments will have no impact on our dividend policy

1 Before spectrum investment  
2 Subject to necessary AGM approval and board resolution  
3 Columns are referring to the expected dividend per share for the respective financial year (with payout the year after)
DT REMAINS ANCHOR OF STABILITY WITH NO CHANGE IN DEBT COMFORT ZONE RATIOS!

DEBT POLICY STILL VALID

- Rating: A-/BBB
- Net debt/adj. EBITDA: 2.0–2.5x
- Equity ratio: 25–35%
- Liquidity reserve: covers maturities of coming 24 months

Undisputed access to debt capital markets

COMFORT ZONE DEVELOPMENT

Equity Ratio in %

Net Debt/Adj. EBITDA

REFINANCING COST

<table>
<thead>
<tr>
<th>Year</th>
<th>Interests</th>
<th>5 yrs yield DT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5.2%</td>
<td>1.5%</td>
</tr>
<tr>
<td>2012</td>
<td>5.8%</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

1 As of Dec. 2014
2014–2018 IN A NUTSHELL

DT WILL GROW IN ALL RELEVANT FINANCIAL KPI’S ...

- Revenues: CAGR 1–2%
- Adj. EBITDA: CAGR 2–4%
- Cash CAPEX: CAGR 1–2%
- FCF: CAGR ≈10%
- Special Factors
- D&A
- Tax

... OUR SHAREHOLDERS WILL PARTICIPATE!

- Dividends: Following FCF growth, Floor at €0.50
- ROCE: ROCE > WACC in 2018
GUIDANCE AND MID TERM AMBITION LEVEL
## OUR GUIDANCE

<table>
<thead>
<tr>
<th>2014 RESULTS Reported</th>
<th>GUIDANCE 2015 ON A CONSTANT CURRENCY BASIS(^1)</th>
<th>GUIDANCE 2015 ON CURRENT €/$ EXCHANGE RATE(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ BN</td>
<td>€/$: 1.33</td>
<td>€/$: 1.13</td>
</tr>
<tr>
<td>REVENUE</td>
<td>Growth</td>
<td>Growth</td>
</tr>
<tr>
<td>62.7</td>
<td>around 18.3</td>
<td>around 19.3</td>
</tr>
<tr>
<td>ADJ. EBITDA</td>
<td>around 4.3</td>
<td>around 4.3</td>
</tr>
<tr>
<td>17.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FCF</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 Guidance based on constant exchange rates (Average €/$ exchange rate 2014 of 1.33) and no further changes in the scope of consolidation

2 Guidance based on constant exchange rates (Current €/$ exchange rate of 1.13) and no further changes in the scope of consolidation; current: exchange rate as of Feb. 13
## MID TERM AMBITION LEVEL

<table>
<thead>
<tr>
<th>TOPIC</th>
<th>MID TERM AMBITION LEVEL¹</th>
<th>YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>GROUP REVENUES</td>
<td>CAGR 1–2%</td>
<td>2014–2018</td>
</tr>
<tr>
<td>GROUP ADJ. EBITDA</td>
<td>CAGR 2–4%</td>
<td>2014–2018</td>
</tr>
<tr>
<td>GROUP FCF</td>
<td>CAGR ≈10%</td>
<td>2014–2018</td>
</tr>
<tr>
<td>GROUP ADJ. EPS</td>
<td>≈€1 in 2018</td>
<td>2018</td>
</tr>
<tr>
<td>GROUP ROCE</td>
<td>ROCE &gt; WACC in 2018</td>
<td>2018</td>
</tr>
<tr>
<td>GROUP CASH CAPEX</td>
<td>CAGR 1–2%</td>
<td>2014–2018</td>
</tr>
<tr>
<td>GROUP ADJ. OPEX</td>
<td>DECREASE (ex US)</td>
<td>2014–2018</td>
</tr>
<tr>
<td>SHAREHOLDER REMUNERATION POLICY (2015–2018)²</td>
<td>Following FCF growth; min. DPS of €0.50 p.a.</td>
<td>2015–2018</td>
</tr>
</tbody>
</table>

¹ Based on constant exchange rates (Average €/$ exchange rate 2014 of 1.33) and no further changes in the scope of consolidation

² Subject to necessary AGM approval and board resolution